



Directorate of
Intelligence

25X1

Secret

74

Castro's Reach Into the Third World: The Cuban Economic Assistance Program

1
A Research Paper

25X1

Secret

GI 85-10134

May 1985

Copy 219

Page Denied



Castro's Reach Into the Third World: The Cuban Economic Assistance Program

25X1

A Research Paper

25X1

This paper was prepared by [redacted] Office of
Global issues. It was coordinated with the Directorate
of Operations. Comments and queries are welcome
and may be directed to the Chief, Instability and
Insurgency Center, OGI, [redacted]
[redacted]

25X1

25X1

Secret

GI 85-10134
May 1985

25X1

Secret

**Castro's Reach Into
the Third World:
The Cuban Economic
Assistance Program**

25X1

Summary

*Information available
as of 30 March 1985
was used in this report.*

Over the last decade Fidel Castro has made Cuba's economic assistance program an important vehicle for exercising influence in the Third World. Some 20,000 Cuban technicians operate within 32 non-Communist LDCs, and Cuba hosts more than 26,000 students from about 75 Third World countries. In terms of technicians abroad, this program is larger than most Western government programs

25X1

Cuba's rapid success in building this major program is because of several factors:

- The Castro regime has been able to respond quickly to politically favorable developments in Third World countries. For example, within a month of the Sandinista's victory, Cuban personnel were arriving in Nicaragua.
- Havana gets its foot in the door by playing on its Third World credentials and starting with minimal, low-key forms of assistance—for example, scholarships to attend Cuban schools. Cuba has successfully exploited its cultural heritage by placing approximately two-thirds of its overseas civilian technicians in 10 Spanish- or Portuguese-speaking countries.
- The Cuban program is designed to meet the needs of many Third World countries. Cuba concentrates on providing the services of personnel often in short supply in most LDCs—teachers, doctors, and construction workers. The Cubans generally require that recipient countries pick up only the local costs of Cuban personnel, plus transportation expenses. Among Communist aid donors, only the Chinese program is comparable in terms of generosity

25X1

Because Cuba's assistance program relies heavily on the provision of expertise that it has in abundance and incurs almost no hard currency expenditures, it presents only a minimal drain on the Cuban economy and is a cost-effective vehicle for establishing a substantial Cuban presence in Africa, Latin America, and the Middle East. Important payoffs of this presence include:

- Ideological influence in several Third World planning ministries. The Cubans have placed 1,000 to 1,500 technicians in the ministries and planning agencies of more than 20 Third World countries. In Angola, Congo, Ethiopia, Guinea, Mozambique, Nicaragua, Sao Tome and Principe, South Yemen, and Tanzania, Havana has been able to place substantial numbers of these experts in decisionmaking positions for extended periods of time.

Secret

25X1

- A long-term investment in Third World influence through the education in Cuba of thousands of LDC students. Most of these individuals are beginning to return home, many after almost a decade in Cuban schools. As they advance in their careers, the possibilities for Cuban access and influence will increase significantly.

25X1

- The development and consolidation of a number of leftist regimes. Activities in Angola, Ethiopia, Mozambique, and Nicaragua account for most Cuban assistance. In Nicaragua, Cuba's economic assistance has made significant contributions to that country's military preparedness, and in recent years has provided 60 percent of its rural teaching force and 10 percent of its entire educational corps.
- Political footholds in many Third World countries—particularly in Africa. Modest programs in such countries as Burkina, Ghana, and Guyana probably will expand in the next few years.
- Hard currency earnings. From countries that have substantial oil revenues—Angola, Algeria, Iraq, and Libya—Cuba charges for the provision of technical personnel; such fees totaled \$100 million last year

25X1

The Cuban program is an important complement to those of the other Communist Bloc countries. By concentrating on the provision of technical personnel at the grassroots, Cuban aid adds an extra dimension to the efforts of the Soviet Union and Eastern Europe. Although the Soviet Union does not bankroll the Cuban program and formal high-level coordination with other assistance efforts is the exception rather than the rule, Cuba occasionally supplies technicians for Bloc-sponsored projects and is involved in the limited coordination of activities in the field

25X1

Despite the program's successes, translating economic assistance into durable Cuban influence in the Third World has been difficult. Many Cuban economic technicians—construction and medical workers—are neither well positioned nor well prepared to act as political emissaries, and LDC dissatisfaction with Cuban personnel surfaces frequently. Further,

Secret

iv

Secret

25X1

25X1

many Third World governments approach their dealings with a "buyer's market" mentality and seek to maximize Cuban aid while resisting Cuban political leverage.

25X1

25X1

Finally, internal political developments and external factors beyond Cuba's control have in recent years forced Cuban pullouts from Chile, Grenada, Iraq, Jamaica, and Somalia.

25X1

Nonetheless, Castro seems satisfied with the results of his economic assistance program, and we expect that he will continue to search actively for new opportunities to use aid for political benefit. Significant expansion of the economic assistance program depends largely upon the prospects for new Cuban-supported revolutions. Excluding such developments, we see only modest opportunities for expansion of the Cuban program—with Havana taking advantage of new opportunities—primarily in Sub-Saharan Africa, as the future of some currently large contingents becomes more uncertain. We anticipate that Cuban hard currency needs will make Havana more aggressive in exploiting opportunities for providing technical personnel on a commercial basis in the Middle East, Africa, and Latin America.

25X1

Secret

Castro's Reach Into the Third World: The Cuban Economic Assistance Program

25X1

Roots of Cuban Internationalism

The direction of Cuba's foreign policy—including the provision of economic assistance—begins and ends with Fidel Castro. Castro's need to sustain his self-image as a successful revolutionary is a primary motivator of his international activism. Up through the 1960s, Castro focused on sponsoring armed expeditions abroad to try to overthrow Latin American regimes. More recently, he has broadened his approach to include more internationally acceptable ways to prove the depth of his revolutionary commitment.



25X1
Although Castro's commitment to Third World aid has ideological roots, other factors are important as well:

- Castro proudly claims Cuba is the preeminent Third World country in education and public health, and its economic assistance program advertises these and other accomplishments of the revolution in a positive manner.
- Castro also hopes the assistance program will maintain a sense of revolutionary mission and divert popular attention away from domestic problems. Castro has reminded technicians going overseas that their work is "a moral duty, a revolutionary duty, a duty of principle, a duty of conscience, an ideological duty."
- Castro undoubtedly expects that economic assistance will encourage the development of pro-Cuban regimes and policies.
- In several countries where Havana charges for its technicians, the program helps satisfy Cuban foreign exchange needs. Castro openly admits that Cuba sends its technical services personnel abroad partly to help with Cuba's foreign debt difficulties.

Cuban Economic Assistance at a Glance

Revolutionary struggle in the 1960s:

- The only road to socialism is insurrection.*
- Create "two, three, many Vietnams" in Latin America.*
- Armed expeditions.*
- A handful of medical and agricultural personnel in a few African countries.*
- International isolation.*

From confrontation to cooperation in the early 1970s:

- International legitimization through good will.*
- Quest for broader diplomatic and trade relations.*
- Minor emergency relief from natural disasters for Honduras, Nicaragua, and Peru.*
- More opportunities for small numbers of personnel in Africa.*
- Less than 1,500 Cuban civilians in 11 Third World countries in 1975.*

Rapid expansion in the second half of the 1970s:

- Angola, then Mozambique, and Ethiopia in Africa.*
- Jamaica, Grenada, and finally Nicaragua in Latin America.*
- Large-scale teaching and medical contingents.*
- Construction for profit in Libya and Iraq.*
- Wide proliferation of small-scale aid to Africa.*

Setbacks and new opportunities since 1980:

- Departure from Jamaica, Grenada, Suriname.*
- Rebel attacks in Nicaragua and Angola.*
- War-related removal of most personnel from Iraq.*
- Repayments problems with Angola and Libya.*
- Minor setbacks, yet seven new recipients in Africa.*

25X1

25X1

25X1

Dimensions of the Program

Ten years ago Havana had less than 1,500 economic assistance personnel in only 11 countries (figure 1). As favorable political changes occurred in the LDCs—a few with the aid of Cuban military assistance—Cuba moved with impressive speed to help consolidate these regimes through economic assistance relationships. From 1974 through 1979 Havana sent thousands of civilian technicians to Angola and—in rapid succession—to Mozambique, Ethiopia, and Nicaragua. Working relationships were also forged with Libya and Iraq. By 1981, 23,000 Cuban technicians were operating in 28 LDCs. [redacted]

Since then, Havana has established a new presence in six more LDCs, but the program has also experienced a number of setbacks. Today, there are about 4,000 fewer Cuban civilians abroad than there were four years ago. The newly elected Seaga government asked all of the estimated 650 Cuban technicians to depart Jamaica in 1981. In the Middle East, the Iran-Iraq war caused Havana to pull from Iraq about 90 percent of its estimated 3,500 workers. The ouster of Cuban technicians from Grenada in 1983 was accompanied by Suriname's rejection of what was then a promising relationship with Havana. In Nicaragua, the phasing out of some teachers, plus age and gender restrictions begun in response to rebel actions, and the threat of a US invasion caused the Cuban civilian presence last year to drop by almost 1,000 from its high of 6,200 three years ago. [redacted]

Last year the Cuban economic assistance program placed almost 20,000 technicians in 32 non-Communist Third World countries (table 1). More than three-fourths were African states; only Nicaragua and, to a lesser extent, Guyana and Mexico hosted significant numbers of Cuban technicians in the Western Hemisphere. Angola topped the list with an estimated 6,000 Cuban civilians, Nicaragua had 5,300, and Libya had about 3,500. Ethiopia and Mozambique also had substantial, but smaller, contingents. Although Havana charged fees for about one-half of its personnel, these assistance-for-hire technicians were present in only four countries. [redacted]

Primarily Technical Services

Unlike the assistance programs of both Western donors and other Communist nations, the Cuban

effort has focused on the provision of technical services, as opposed to material or financial aid. In fact, the Cuban program sponsors more economic technicians abroad than most Western governments. We estimate that less than 25 percent of Cuban aid has been grants of capital goods and other materials. Usually, recipient countries procure the materials Cuban technicians use, often from Cuba itself. Cuba has made substantial grants of material aid only to Ethiopia, Grenada, and Nicaragua—the poorer countries it considers important targets. Even in these countries, the amounts and types of such aid represent, by Western standards, only token commitments and consist of such items as light industrial facilities, supplies for construction projects, fishing boats, breeding stock and equipment for animal husbandry centers, school materials, foodstuffs, clothing, and medical supplies. It is even more rare for the Cubans to provide credits. We are aware of only two instances—Nicaragua and Grenada—where Havana financed projects, \$50 million and \$11 million, respectively. Moreover, earlier this year Castro announced Cuba would convert the Nicaraguan loan to a grant. [redacted]

25X1

More than three-fourths of the Cuban economic technicians in the Third World work in three occupational categories: public health, education, and construction (figure 2). Cuban expertise in each of these sectors is rather basic. Although many LDCs appeal for specialists, most of the doctors among the more than 2,000 Cuban medical personnel abroad are general practitioners. Moreover, about 10 percent are students who are completing their internship requirement while serving abroad. In the education field, most Cuban teachers teach at the primary and secondary levels or conduct adult literacy training. At Third World universities they often teach practical subjects such as agronomy, veterinary science, engineering, and general medicine. The limited skills of Havana's construction personnel usually restrict their activities to manual labor on large industrial projects and simple construction work, such as housing, schools, roads, bridges, and small-scale irrigation systems. [redacted]

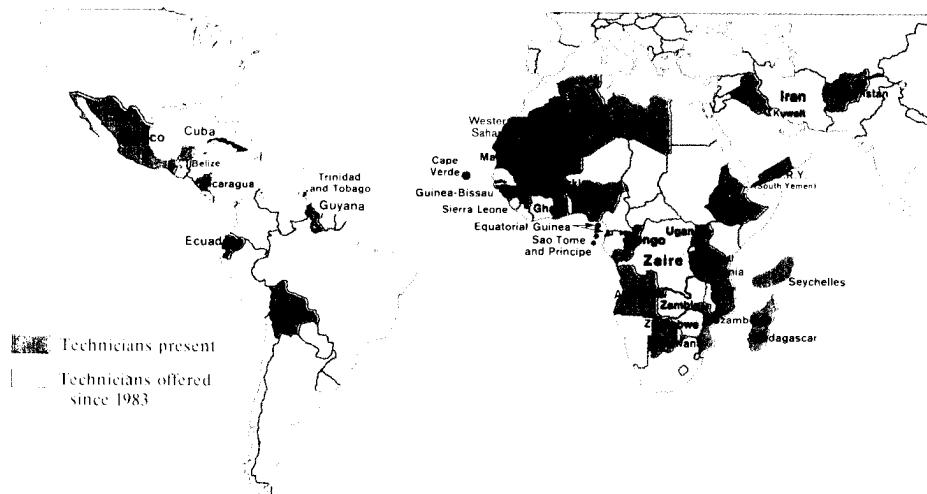
25X1

25X1

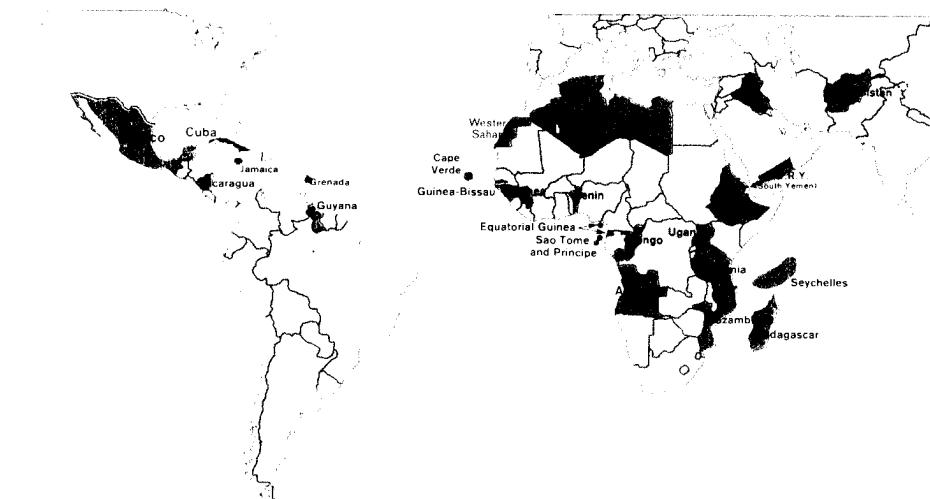
25X1

Figure 1
Expansion of Cuban Economic Technicians Into the Third World

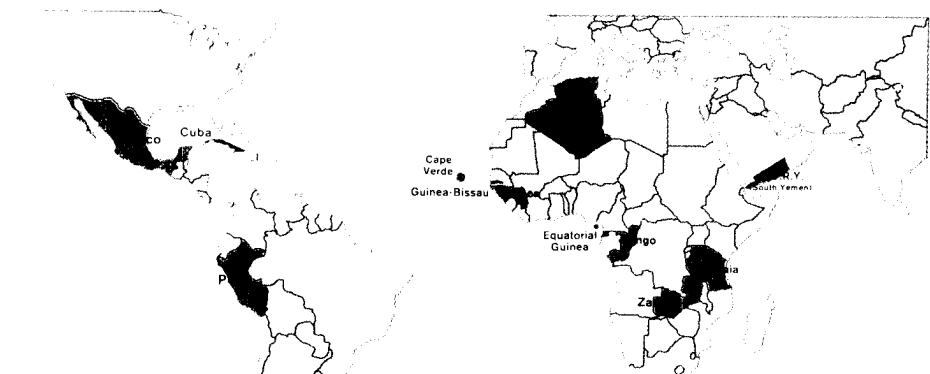
1984



1980



1975



25X1

Boundary representation is
not necessarily authoritative

Secret

Table 1
Cuban Economic Technicians in the Third World, 1984^a

Total	19,045	Madagascar	35
Africa	12,925	Mali	10
North Africa	3,865	Mozambique	900
Algeria	275	Nigeria	5
Libya	3,500	Sao Tome and Principe	225
Mauritania	15	Seychelles	20
Western Sahara	75	Tanzania	150
Sub-Saharan Africa	9,060	Uganda	15
Angola	6,000	Latin America	5,420
Benin	30	Bolivia	5
Botswana	10	Ecuador	5
Burkina	15	Guyana	60
Burundi	20	Mexico	50
Cape Verde	15	Nicaragua	5,300
Congo	140	Middle East	600
Equatorial Guinea	15	Iraq	400
Ethiopia	1,100	South Yemen	200
Ghana	40	South Asia	100
Guinea	240	Afghanistan	100
Guinea-Bissau	75		

^a Estimated peak number present for a minimum of one month, rounded to the nearest [redacted]

25X1

25X1

25X1

The other one-fourth of the Cuban technicians perform a variety of advisory services; most work on agricultural problems in remote areas. Typically, only a few Cubans work directly for middle- and high-level decisionmakers in Third World ministries and planning agencies; but in Angola, Ethiopia, Mozambique, and Nicaragua the number of Cuban technicians in planning agencies is substantial [redacted]

Nicaragua.¹ Five other African countries, as well as South Yemen, currently have 500 or more students in Cuba (figure [redacted])

25X1

Like the rest of the Cuban economic assistance effort, the student program accelerated only in the late 1970s. A large part of the growth—total Third World enrollment has tripled in the last 10 years—is attributable to the establishment of schools on the so-called

25X1

Training LDC Students in Cuba

Havana also invites large numbers of Third World students to Cuba, usually on fully paid scholarships. We estimate the number of students—from more than 75 countries—at more than 26,000 (table 2). The program is highly focused geographically: about three-fourths of all foreign students in Cuba come from Angola, Ethiopia, Mozambique, Namibia, and

[redacted]

25X1

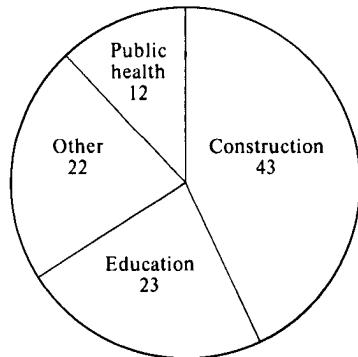
Secret

Secret

Figure 2
Sectoral Distribution of Cuban Economic
Technicians in LDCs, 1984

Percent

Total technicians: 19,000



305154 3-85

Isle of Youth, just south of western Cuba. Currently, 21 of the island's 60 schools are set aside for foreigners; each school can accommodate about 600 students for eight years at a time and the curriculum centers on the blending of academic training and agricultural labor. The first foreign students arrived there in 1977; last year there were some 12,000 elementary and high school students from 11 Third World countries.

Postsecondary foreign students in Cuba enroll in Cuban universities (especially the University of Havana), technical schools operated by government ministries, and schools run by the party and associated political organizations. The academic and technical programs typically deal with such common Third World problems as basic education, public health, agriculture, and infrastructure development. Up to 500 students are enrolled in programs that emphasize ideology, political organization, journalism, and propaganda.

The Communist Bloc Connection

Cuban economic assistance complements other Communist Bloc activities in the LDCs. Generally, Havana sends people, and larger Bloc programs finance more expensive and capital-intensive projects. Havana has specialized in educational assistance—Third World students constitute almost 1 percent of the total student population in Cuba. Only Havana places large teaching contingents in individual LDCs. Several Third World countries—Angola and Nicaragua are the best examples—have substantially more Cuban than other Bloc technicians.

25X1

Some coordination of Cuban activities with other Bloc programs occurs as well. Havana has supplied labor for Hungarian and Bulgarian projects in Nicaragua and last year counseled Sofia on setting up an economic cooperation commission with Managua. In Africa, Cuban personnel in recent years have worked jointly with the East Germans and Bulgarians.

25X1

We believe that Castro uses his assistance program to demonstrate to Moscow that its support of Cuba is a worthwhile investment.

25X1

There is little evidence that the USSR bankrolls Cuban economic assistance efforts or that Cuban activities are planned in Moscow. Havana's program does not need much outside help because it is a low-cost operation. Most of Cuba's foreign projects require only the simple technologies and skills indigenous to Cuba. Although Cuba's substantial domestic investment in public health and education—which enables Castro to send thousands of teachers and doctors abroad—would have been impossible without funds derived from Soviet trade subsidies, we believe these decisions were Castro's and not Moscow's.

25X1

Nevertheless, there is occasional friction between the Soviets and Cubans on aid issues.

25X1

25X1

25X1

25X1

Secret

Table 2
Third World Students in Cuba, 1984^a

Total	26,220	Latin America	6,405
Africa	18,635	Antigua and Barbuda	15
North Africa	845	Argentina	10
Algeria	5	Bahamas, The	5
Libya	100	Belize	35
Morocco	5	Bolivia	10
Tunisia	5	Brazil	5
Western Sahara	730	Chile	5
Sub-Saharan Africa	17,790	Colombia	10
Angola	5,000	Costa Rica	5
Benin	135	Dominica	35
Botswana	15	Dominican Republic	10
Burundi	15	Ecuador	5
Cameroon	5	Grenada	150
Cape Verde	50	Guatemala	5
Congo	730	Guyana	200
Equatorial Guinea	15	Haiti	5
Ethiopia	3,300	Honduras	10
Gambia, The	30	Jamaica	125
Ghana	720	Mexico	20
Guinea	300	Nicaragua	5,500
Guinea-Bissau	675	Panama	50
Lesotho	5	Peru	25
Madagascar	30	St. Lucia	25
Mali	50	St. Vincent and the Grenadines	20
Mauritius	5	Suriname	95
Mozambique	4,000	Uruguay	15
Namibia	1,290	Venezuela	10
Nigeria	125	Middle East	1,050
Rwanda	40	Bahrain	5
Sao Tome and Principe	300	Iran	5
Seychelles	20	Jordan	10
Sierra Leone	10	Lebanon	20
South Africa (ANC)	20	North Yemen	5
Sudan	5	Oman	10
Tanzania	500	PLO	400
Uganda	200	South Yemen	570
Zaire	10	Syria	25
Zambia	50	South Asia	115
Zimbabwe	140	Afghanistan	85
Europe	15	Bangladesh	5
Malta	5	India	25X1
Portugal	5	Nepal	5
Spain	5	Pakistan	5
		Sri Lanka	5

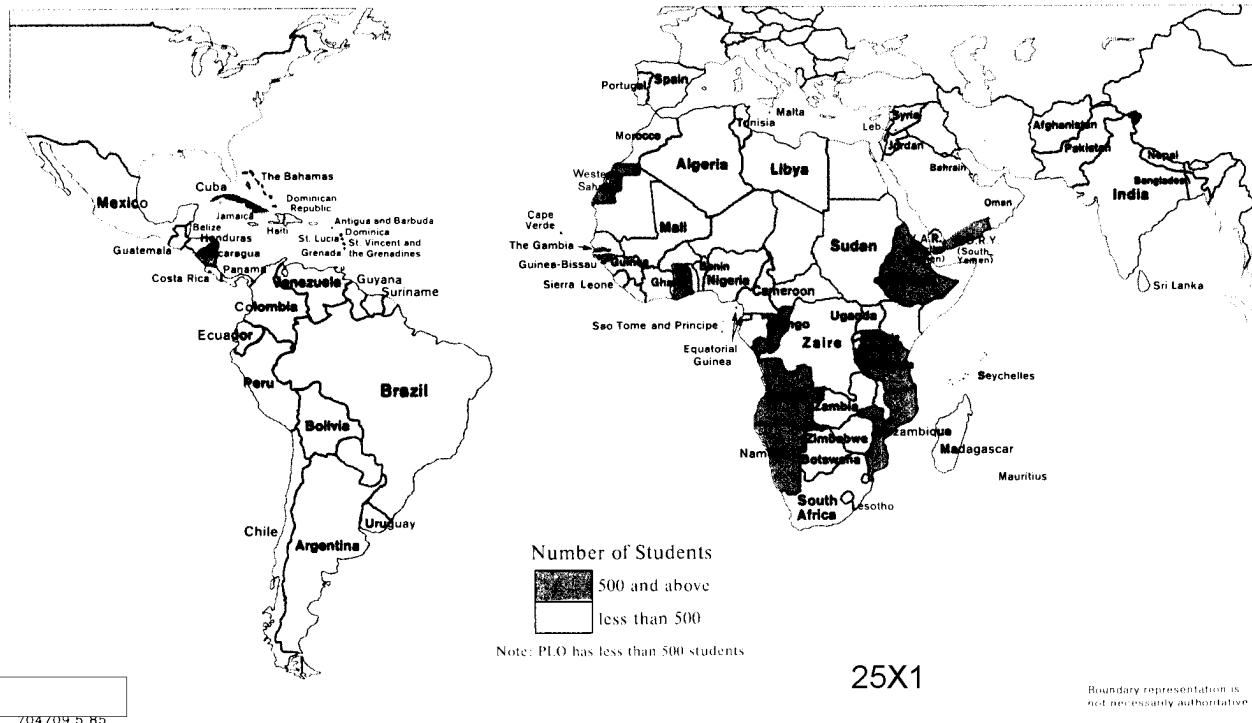
^a Excludes students attending courses of less than six months' duration. Numbers are rounded to the nearest

25X1

25X1

Secret

Figure 3
Third World Countries With Students in Cuba, 1984



The Attractiveness of Cuban Economic Assistance

Political considerations often join with economic realities to make Cuba an attractive source of economic assistance to Third World countries. Political sympathies underlie most of Havana's success in creating aid-based ties to the Third World. Within four months of the leftist Rawlings coup in 1982, for example, Ghana signed the initial aid agreement with Cuba that Havana had pursued for several years without success. In the absence of strong ideological bonds, however, Third World countries often cite the promotion of South-South solidarity or nonaligned credentials as the driving factor. Some leaders openly admire Cuba's capability for activism in the Third World. Such reasons,

[redacted] reportedly led Qadhafi to give preferential consideration to Cuba in the granting of commercial construction contracts in Libya. A number of Third World leaders have asked for Cuban technicians—usually teachers—to help consolidate their domestic political position through indoctrination of the masses.

Among economic factors, Cuba offers assistance well suited to Third World economies and charges little or nothing for it. In the field of education, Havana specializes in delivering basic instruction, such as literacy training, to remote areas. Most Cuban medical technicians provide routine care to rural populaces that usually have infrequent access to medical services. In construction work, Havana focuses on simple housing, school, and road projects.

25X1

25X1

25X1

Secret

25X1

The Cuban Military Assistance Program

Cuba has used military assistance—mainly personnel and training support—to Third World regimes in tandem with its economic assistance program. Such assistance helps strengthen existing Cuban relations with recipient countries through their military establishments. In Angola, Ethiopia, and Nicaragua, where Cuban support contributes to the survival of Marxist regimes, the military program is more important than the economic program

The military effort places more than twice as many personnel abroad as the economic program, but only in about one-half as many countries. Last year the Cubans had more than 43,000 soldiers and advisers in the Third World. Angola is by far the largest recipient, followed by Ethiopia and Nicaragua. A better perspective on the relative dimensions of the two programs, however, is revealed by the fact that, if Havana's estimated 35,000-plus military personnel were to return home from Angola, Cuban civilians in the Third World would outnumber their military counterparts by almost 3 to

Cuban economic and military assistance often proceed hand in hand, although many LDCs consider the acceptance of civilian aid a less controversial, and

thus easier, step to take. The result is that Havana's economic program covers more countries. In the cases of Angola and Nicaragua, however, military aid preceded economic ties and helped bring to power regimes favorably disposed to close Cuban ties, including extensive economic assistance programs. The comparatively lower profile of Cuban economic assistance activities in general also makes them less subject to disruption than the military program. In Angola, for example, successful negotiations for the removal of Cuban personnel would still leave some 6,000 civilian technicians in place to advance

25X1¹ interests

Occasionally, the distinction between Cuban military and economic assistance activities has become blurred. For example, some technicians in Angola appear to have a dual affiliation with Cuban military and civilian organizations. Similarly, in Nicaragua civilian construction workers have helped with the military's new Punta Huete airfield and soldiers have helped defend Cuban economic aid projects such as the Timal sugar refinery.

25X1

25X1

25X1

These services appeal to financially strapped LDCs because

Havana usually sends its personnel free of charge. Cuba pays the salaries of its technicians in Cuban pesos, and the host country is obligated to provide the necessary materials and equipment, food, housing, a personal spending allowance, and local and international transportation. Among Communist aid donors, only the Chinese program is comparable in terms of generosity. In lieu of providing much material assistance or financing, Havana often helps LDCs procure supplies for Cuban aid projects at the cheapest possible price on the open market

Havana also has some sociocultural advantages over a number of other aid donors. Cuba has successfully exploited cultural heritage by placing approximately two-thirds of its overseas civilian technicians in 10 Portuguese- or Spanish-speaking countries. Cubans also are more accustomed than Western or even other Bloc technicians to the deprivations often encountered while serving in an LDC. Several years ago, an Iraqi official claimed Baghdad wanted Cuban doctors because they were the only ones willing to work outside the capital (see photos at the back)

25X1

25X1

25X1

Secret

Secret

25X1

***Cuban Techniques for Creating
an Aid Relationship***

The Cubans use a wide range of methods in the Third World to improve their image, expand bilateral communications, and thereby pave the way for a physical presence through aid ties. These techniques often rely on innocuous themes and so are difficult for even skeptical LDCs to spurn.

Havana often begins by urging better diplomatic relations. A consular convention or other type of foreign relations cooperation agreement may follow. Simultaneously, Cuba usually seeks expanded trade ties, best of all in a trade agreement. A routine civil aviation agreement can ease bilateral travel.

The next steps forward are low-level bilateral exchanges in politically neutral realms. Friendship societies, sports, performing arts, and science exchanges are favorites. A delegation may be invited to visit Cuba to witness the revolution's progress, the hoped-for result being a limited cooperation agreement. Last year at least one dozen LDCs without aid ties to Cuba signed agreements with Havana. Many of these accords include fully paid scholarships to Cuba for LDC trainees.

If an LDC is judged to have immediate or special needs, Havana will focus its initial aid overtures on those areas. In the wake of natural disasters, Cuba has delivered small amounts of emergency relief aid

to a number of countries—including Bolivia, Ecuador, Peru, and even Nicaragua prior to the fall of Somoza. Cuba has also provided personal security assistance to Third World leaders. We believe Cuba has supplied personnel to or provided training for the bodyguard or intelligence units of at least 12 Third World countries to date. Most recently, this type of assistance has helped stabilize pro-Cuban regimes in Burkina and Ghana. Last September Cuba may have made such an offer to Zimbabwe, a country with which it currently has only limited ties. Havana also seeks to advance its cause by offering another type of assistance to Third World leaders: it has provided personal medical services to leading individuals from at least six Third World countries.

25X1

25X1

Establishment of a Joint Commission for Economic and Scientific-Technical Cooperation cements Cuban-LDC aid relationships and is the primary mechanism for decisions on the provision of Cuban personnel and other aid. The commission is a permanent body that schedules annual meetings. The entire range of activities is discussed, and a formal protocol specifying the upcoming year's program is signed. Cuba currently has joint commissions with 29 LDCs (table 3).

25X1

25X1

The Economic Burden—Cuban Overseas Programs

We estimate that the cumulative value of Cuban economic aid to the Third World to date amounts to more than \$400 million, averaging about \$75 million annually in recent years (figure 4). This includes the value of service personnel sent overseas (based on domestic Cuban wage scales), donated goods and materials, and aid credits. These costs entail almost no hard currency expenditures, however, because Havana normally loses only the peso wages of its overseas personnel, plus whatever benefit their services would have produced at home. Moreover, Cuban

hard currency contracts with a few LDCs more than offset the costs of its aid to the rest of the Third World. The large number of personnel trained as a result of the postrevolutionary concentration on the education, agriculture, and public health sectors provides Castro with a ready supply of technicians. In addition to the cost of technical services, Cuba also contributes limited amounts of material aid to LDCs. Usually this consists either of products Cuba has an adequate supply of (cement or sugar, for example) or small amounts of goods such as medicine, food, or clothing

25X1

Secret

Table 3
Cuban-LDC Joint Commissions
for Economic Cooperation

	Date Estab- lished		Date Estab- lished
Algeria	1979	Libya	1977
Angola	1976	Madagascar	1979
Argentina	1984	Mali	1982
Burkina	1983	Mauritania	1983
Cape Verde	1979	Mozambique	1977
Chile	1971 ^a	Nicaragua	1980
Congo	1979	Nigeria	1981
Ethiopia	1977	Peru	1973
Ghana	1982	Seychelles	1980
Grenada	1979 ^a	South Yemen	1977
Guinea	1979	Spain	1983
Guinea-Bissau	1978	Suriname	1982 ^a
Guyana	1975	Tanzania	1974
India	1979	Uganda	1980
Iraq	1978	Western Sahara	1984
Jamaica	1975 ^a		

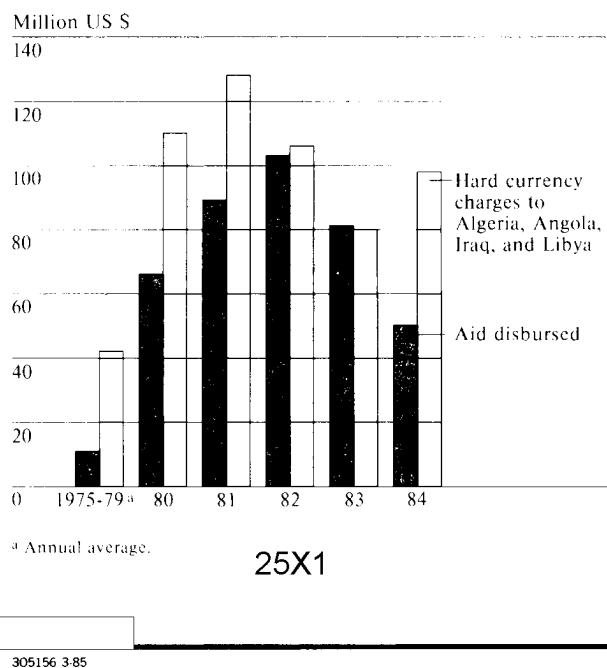
^a Now dissolved or suspended.

25X1

Cuban economic assistance to Nicaragua, because of the substantial amount of material aid and large numbers of technicians, currently accounts for three-fourths of Havana's total aid to the Third World. Deliveries to Nicaragua to date include a 13,000-ton merchant ship; heavy machinery and other construction materials; fishing boats; prefabricated housing plants; and agricultural, railroad, light industrial, and communications equipment. Cuban assistance to Managua is also costlier because Havana pays the international transportation expenses, something it rarely does for other recipients. Two years ago during the annual rotation of its 2,000 teachers, Havana reportedly spent more than \$20,000 to refuel its aircraft in Managua.

Cuba pays more than one-half of the personal spending money for its people in Nicaragua. We estimate this expense alone may amount to more than the equivalent of \$1 million a year in Nicaraguan currency.

Figure 4
Cuban Economic Programs in the
Third World, 1975-84



25X1

The Economic Burden—Training in Cuba

Cuba tries to limit the cost of educating foreign students by training them in Cuba. We estimate Cuba currently budgets the peso equivalent of about \$10 million annually for this part of the program. Most students receive full scholarships that include tuition, educational materials, room and board, clothing, and medical care, but their home country must pay the hard currency expense of international transportation.

Accommodations, food, and other provisions of their scholarships are rudimentary at best. Some scholarships also are funded by the Council for Mutual Economic Assistance.

25X1

25X1

The Isle of Youth students—accounting for nearly 50 percent of the Third World students in Cuba—are less of a burden for Havana than those enrolled in

25X1

25X1

Secret

25X1

Secret

universities and technical schools, and may even be profitable. As much as one-third of the faculty at the Isle of Youth schools is provided by the participating Third World countries. The students are responsible for the basic maintenance of their facilities and are required to donate 18 hours of agricultural work every week in surrounding citrus groves, according to open sources. Cuban Education Minister Fernandez himself has openly estimated that, after the initial three years of operation, the agricultural output from Isle of Youth schools more than offsets construction costs and operating expenses. 25X1

A Strong Presence Overseas

The assistance program has been instrumental in providing Castro with an impressive reach into the Third World—32 countries at present and 40 over the years. Cuban ties to many of these countries would exist even in the absence of economic assistance; the aid provides Cuba with a broader range of fronts on which to make an impact. Through the physical presence of technicians, Havana transmits its views on domestic and international issues to host-country nationals. Joint economic cooperation commissions bring together a wide range of middle- and high-level representatives from both sides. For Third World leaders, economic assistance is a tangible demonstration of support that lends credibility to C 25X1 professions of commitment. 25X1

Teachers potentially are Havana's best instruments for influencing the popular masses in the Third World. Castro has openly stated that Cuban educational assistance is intended to exert long-term influence in the Third World. In Angola last year, according to the Cuban press, Cuban teachers were active in 16 of the country's 18 provinces, teaching an estimated 100,000 students. The Cubans incorporate leftist viewpoints in their lessons; the books they use reflect Cuban ideology and are often translations of Cuban texts. Open sources indicate Cuban educational experts used the Cuban model to help shape the organization of school systems in Ethiopia, Guinea-Bissau, Nicaragua, South Yemen, and Tanzania. 25X1

The Economic Benefits for Cuba

In addition to the estimated \$400 million worth of aid that Cuba has provided to the Third World, it has also provided assistance for a fee. 25X1

the Soviets—wanting Cuba to become more economically self-sufficient—have urged the Cubans to concentrate more on the parts of the program that generate revenues. Havana's activities in Algeria, Angola, Iraq, and Libya—where the Cubans charge a hard currency fee—represent an economic plus. Payments from these oil-producing countries—ranging from \$4,800 to \$18,000 a year per technician—go directly to Havana and more than cover associated costs. We estimate that Cuban charges to these countries last year total nearly \$100 million. 25X1

Havana's actual annual receipts from these activities are difficult to quantify because of reported repayments problems. Both Angola and Libya have been reported to be substantially in arrears in recent years; a January announcement by President dos Santos indicates that Cuba probably has deferred Angolan payments for economic assistance. In any case, 25X1

Havana is aggressively pursuing assistance-for-hire arrangements with at least four new clients, and we believe its hard currency earnings from such activities will increase. (\$ 25X1

Trade expansion and the reduction of domestic unemployment are additional benefits of Cuban programs, whether performed without charge or for payment. Many Third World recipients of Cuban technicians buy the necessary materials and equipment from Havana, and Cuban officials incorporate the export of associated goods into their aid proposals. Last year, a 25X1

Algeria agreed to use a line of credit from Japan to acquire construction machinery for Cubans to use in their Algerian activities as well as for projects in other countries, including Cuba. The dispatch of personnel overseas also slightly reduces domestic unemployment, a side benefit for a country whose rapidly growing work force is already under-employed. 25X1

25X1

Another important vehicle for influence is the estimated 1,000 to 1,500 Cuban technicians placed in the ministries and planning agencies of more than 20 Third World countries. Working with the recipient country's middle- and high-level professionals on a daily basis, they assist in economic planning, trade development, agricultural reorganization, mass communications, labor relations, and sociocultural affairs. In several countries—for example, Angola, Congo, Ethiopia, Guinea, Mozambique, Nicaragua, Sao Tome and Principe, South Yemen, and Tanzania—Havana has been able to place substantial numbers of these experts in decisionmaking positions for extended periods of time [redacted]

The full impact of the Third World student program will not register for another five to 10 years. Most of the initial group of Isle of Youth students have been back in their home countries less than two years, and students with academic promise (those most likely to find influential jobs) have continued on into the Cuban university system. We already are aware of a limited number of Cuban successes. For example, Guyana's Agriculture and Health Ministers are both alumni of the Cuban educational system; Health Minister Van West-Charles, President Burnham's son-in-law, heads up the economic cooperation commission between the two countries. The son of former Jamaican Prime Minister Manley and a daughter of that country's former Minister of National Security attended the University of Havana. In Ghana, a key adviser to the ruling Provisional National Defense Council is a Cuban alumnus [redacted]

25X1

25X1

25X1

Indoctrination of LDC Students

Cuba has used several facets of its educational assistance program to try to convert routine academic and technical training into influence. [redacted]

Third World students enrolled in Cuban programs receive political training. Moreover, at least some are recruited by Cuban intelligence [redacted]

The Cubans also reportedly prefer individuals who hold progressive views without outwardly seeming political. On the Isle of Youth, Havana attempts to indoctrinate thousands of younger, more impressionable students through a work-study regimen—unique among educational assistance programs—that can last for up to eight years for each student. [redacted]

Constraints on Cuban Influence

A variety of factors—ranging from inefficiencies in the aid effort to internal political factors—combine to set limits on translating Cuban economic assistance into durable influence in the Third World. For example, even in two of Havana's largest recipients, Angola and Mozambique, Castro has not been permitted as much involvement in talks with South Africa [redacted]

25X1

25X1

We estimate that less than one-half of the Cuban civilians in the Third World are good candidates to function as effective purveyors of pro-Cuban views. More than 40 percent of the Cuban overseas work force is made up of construction workers and, although their activities contribute to a favorable image of Cuba, they are only marginal instruments of influence:

- They often operate in sparsely populated areas and their daily routines leave little time for political activities.
- The workers live in self-contained camps close to their job sites, and [redacted] most are primarily motivated by material rewards of "internationalist" tours of duty, such as overseas bonuses and greater access to consumer goods.

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Nicaragua: A Cuban Success Story

Cuban assistance to Nicaragua—totaling nearly \$300 million to date—has contributed significantly to the consolidation of the Sandinista regime over the last five years. Havana's economic support has increased Managua's military strength. New or improved roads built by Cubans facilitate arms transfers and the deployment of troops to fight rebel forces. Similar benefits derive from Cuban improvements to the national railroad system. Cuban personnel are helping with construction work on at least five airfields, including Punta Huete (soon to be the largest of such facilities in Central America), and construction reportedly will soon begin on a 600-bed military hospital in Managua. The Nicaraguans have used the merchant ship Monimbo—a gift from Cuba—to import artillery and patrol boats from North Korea.

Havana last year converted nearly the entire corps of Cuban civilians in Nicaragua into a younger, mostly male, force with up-to-date military training and regular combat-preparedness drills.

The Cubans have also had a particularly strong impact on the Nicaraguan educational system. The large contingent of primary and secondary school teachers—which at one time constituted 60 percent of the rural teaching force and 10 percent of the country's entire educational corps—has used texts with pro-Cuban Marxist content. Havana also has hosted well over 5,000 Nicaraguan students in extended academic programs, most of which include political subjects. Of this number, more than 1,000 are teenagers on the Isle of Youth where, as one Nicaraguan

student has openly explained, the work-study regimen is "the implementation of the Leninist concept to form the new Soviet man." In addition, Cuba has trained large numbers of Nicaraguans in shorter, vocational courses that have increased the country's pool of technical skills. Havana also has supplied higher level advisers to the Ministry of Education, who have probably helped reshape the overall organization and direction of the national educational system

25X1

Hundreds of Cuban personnel have been placed at the central decisionmaking level in nearly every other sector of Nicaraguan society. Through economic planning agreements, Cuban advisers probably have encouraged the gradual growth of state control of the economy.

he Cubans have taught courses in Marxism to staff members of the Nicaraguan Public Administration Institute.

particularly extensive Cuban involvement in the Nicaraguan communications system.

These activities range from the installation of microwave and other kinds of equipment to the provision of critiques and recommendations on the national communications network. Close ties exist between the Cuban Communist Party and the Sandinista National Liberation Front, and we believe Cubans have advised on the development of Nicaraguan mass organizations.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

- Most of the construction workers are—as debriefings of Cubans at the Grenada airport underscore—politically unsophisticated compared with other Cuban civilians abroad.

Although the Castro regime screens other economic technicians—teachers, medical personnel, and technical advisers—in terms of political qualifications, many of these technicians are not well positioned to exert influence. For example,

medical personnel typically confine themselves to the provision of medical services. Although this can promote a positive impression of Cuba,

indigenous populations sometimes resent the Cuban presence because they provide the technicians with food and lodging, and the Cuban medical skills often are severely limited. Moreover, our analysis,

indicates that about three-fourths of the Cuban technicians who are not involved in public health, education, or construction work at the grassroots in a strictly technical capacity.

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

The quality of its personnel and the terms under which Cuba provides aid frequently reduce the political mileage Havana is able to extract. In Ethiopia, the completion of one of Cuba's largest aid projects was held up for six months because Addis Ababa could not supply the necessary materials. Complaints about Cuban technicians are not uncommon. Although it is unusual for client dissatisfaction to lead to the removal of Cuban personnel, complaints can hamper the full development of the relations. A typical example is in Burundi where [redacted], some Cuban medical technicians speak no French and the specialties of the doctors and nurses are incompatible. Over the years, a number of Third World recipients have characterized Cuban teachers as incompetent and too political. The Cuban requirement that LDCs bear the hard currency transportation expenses has caused at least one country—Tanzania—to refuse more than one-half of the scholarships and technicians called for in its annual cooneration agreement with Havana [redacted]

LDC Students Sometimes Alienated

The student program also has problems that may substantially reduce the amount of influence Havana expects to develop over time. Although Third World students often go to Cuba with preexisting leftist leanings, many others are alienated by the political indoctrination in their Cuban educations [redacted]

25X1

[redacted] The physical labor requirements and lack of personal amenities reportedly also leave some students disenchanted with the Castro regime. Serious student problems—including riots—have plagued the Isle of Youth program almost from its inception [redacted]

25X1

25X1

25X1

The Future

We believe Castro's personal motivations are as strong as ever and will continue to keep the program alive as long as he is in power. His strong desire to be a major actor on the world stage means that he is committed to the aid program, regardless of economic or other costs. We believe reverses in recent years may cause him to value even more the successful Third World relationships he retains and to strengthen his resolve to exploit opportunities for new ones [redacted]

25X1

25X1

25X1

25X1

[redacted] Cuban aggressiveness, as well as a "buyer's market" mentality on the part of a number of recipient countries, works against the program's success. For example, we believe relations between Cuba and Mali suffered recently when Havana pressured Bamako to accept Cuban medical technicians. Despite years of assistance from Cuba, some Third World countries try to use the importance Havana attaches to its aid program as leverage to negotiate more favorable terms for Cuban assistance [redacted]

[redacted] Burundi, Uganda, and Ghana are recent examples. Cuba occasionally finds itself in adversarial bargaining sessions, even with regimes in which it has invested a significant amount of time and resources [redacted]

Finally, developments beyond Havana's research can quickly erode gains from the resources expended in an aid program. Internal political dynamics or external factors over the years have forced Cuban pullouts from Chile, Grenada, Iraq, Jamaica, Somalia, and Suriname. More recently, domestic insurrections in Nicaragua and Angola have disrupted the implementation of Cuban assistance [redacted]

The future of some of the existing large-scale Cuban civilian contingents abroad has grown more uncertain in recent years. Regional talks in southern Africa have not improved the prospects for the Cuban civilians there. Castro reportedly was outraged with the signing of the Nkomati accord in March 1984 between Mozambique and South Africa. Similarly, alleged Angolan failure to keep Havana abreast of negotiations with Pretoria has put more distance between Castro and President dos Santos. In addition, the rebel bombing of a Cuban barracks last April may have made it more difficult to recruit personnel to work in that country. Although neither situation has led to cuts in the number of Cuban civilians in those countries, any turn away from the Communist Bloc and toward the West that grows out of regional accommodation would work against their extended stay. In Nicaragua, it appears likely that Cuban-trained Nicaraguans this year will replace Cuban

25X1

25X1

25X1

25X1

Secret

14

Secret

Soldiers or Civilians: Cuban Economic Technicians Abroad

Although Cuban economic technicians in the Third World truly are civilians, Havana makes no secret of the fact that it expects its personnel abroad to be able to use small arms to defend themselves. Most Cuban technicians—male and female—have undergone at least basic small-arms familiarization training.

before leaving Cuba civilians assigned abroad often receive an intensive military training course lasting four to six weeks.

chief of the Cuban medical detachment reportedly was forced to depart on his 40th birthday. Havana also made certificates of recent military training mandatory for personnel assigned to Nicaragua, and we believe the new requirement is being strictly enforced. Defensive preparations were evident across the board; even Cuban Communications Ministry workers have held combat-preparedness meetings. Defensive fortifications have been constructed at the Timal sugar refinery—Cuba's largest aid project in Nicaragua.

access to weapons and extensive drills make the workers well prepared to defend the project from attack.

Over the past 18 months, growing fears of direct US involvement in Nicaragua and rebel activities in that country as well as in Angola have led Havana to place considerably greater emphasis on the military side of its civilian aid program. In Nicaragua, Havana dramatically transformed the composition of its civilian aid personnel in the country during 1984. New age and gender restrictions were put in place, and by the end of the year most women and older technicians had been pulled out, some replaced by younger men. The seriousness with which Cuba pursued these changes is underscored by the fact that the

Other than Angola and Nicaragua, we have little evidence that these above changes are being implemented elsewhere.

primary and secondary school teachers, thereby permanently reducing Havana's presence by 1,600. Finally, the nature of the Cuban involvement in Grenada revealed by the intervention has probably made potential recipients much more reluctant to accept highly visible large contingents. Former Jamaican Prime Minister Manley, for example, reportedly has told Castro he would not now consent to large Cuban work teams like those in Jamaica a few years ago.

Havana will follow through on opportunities for small-scale assistance, but probably will experience additional setbacks in some existing minor programs.

Low-profiled assistance programs are less controversial from both Cuban and Third World perspectives, and new chances for such activities will continue to arise, mostly in Africa. We believe a current list of likely candidates for positive Cuban aid developments includes Burkina, Ghana, Guyana, Mauritania, Zaire, and Zambia (table 4). A Cuba-Zambia Joint Commission for Economic Cooperation may have been organized just late last year, and one with Zaire is being discussed. We foresee only small-scale or slowly growing aid to these countries, however, primarily because

Secret

Table 4
Pending Offers of Cuban Assistance Since 1983

Type of Assistance	
Belize ^a	Housing.
Benin	Roads, housing.
Bolivia ^a	Teachers, agricultural and medical technicians.
Burkina	Railroad and airport rehabilitation, sugar industry development, economic planning.
Ecuador ^a	Hospital, pharmaceutical plant, teachers.
Ghana	Fisheries and sugar industry development.
Guyana	Housing, cement silos, medical school, additional doctors and teachers, agricultural development.
Kuwait ^a	Miscellaneous construction projects.
Mauritania	Joint fisheries venture, sugar mill rehabilitation.
Mexico	Housing, hospital, schools.
Nigeria ^a	Hospital, schools, hotel, joint fisheries venture, agricultural technicians.
Sierra Leone ^a	Sugar mill.
Trinidad and Tobago ^a	Public works project.
Vanuatu ^a	Medical assistance.
Zaire ^a	Sports complex, roads, sugar refinery, agricultural development, teachers, medical technicians.
Zimbabwe ^a	Vocational school, sports complex, medical technicians.

^a Countries that currently have either negligible or no assistance-based ties to Cuba.

25X1

of their reported reluctance to accept large numbers of Cubans. Havana also has standing offers of assistance to a number of other, less receptive, Third World countries; the ones we are aware of are Belize, Bolivia, Ecuador, Nigeria, Sierra Leone, and Zimbabwe. Nonetheless, dissatisfaction with Cuban assistance, never an uncommon phenomenon, probably will lead a number of Third World clients to curtail Havana's activities.

Burundi, Sao Tome and Principe, and Seychelles already have begun or are seriously considering such cutbacks.

the lucrative Middle Eastern market—apparently believing that declining oil revenues will not damage the opportunities for its projects, which tend to be small scale and inexpensive.

25X1

25X1

25X1

25X1

25X1

Cuban leaders have placed stronger emphasis on the provision of economic technicians to Third World countries as a way of increasing hard currency remittances and making marginal reductions in domestic unemployment. Havana appears to have focused on

Secret

Secret

[redacted]
Cuba's profitable presence in Libya, where nearly one-fifth of all Cuban overseas personnel are located, is likely to continue despite Tripoli's foreign debt repayment problems. Cuban technicians represent only about 0.5 percent of the foreign workers in the country [redacted]

and we believe at least some positions probably will be open to foreigners. As in the past, many Third World regimes will continue to view small numbers of Cuban scholarships as a harmless way to add to their limited technical expertise. For its part, Cuba will find it easier to accommodate foreign students in the future, as demographic changes cause domestic enrollments to drop. [redacted]

25X1

25X1

25X1

25X1

Cuba also has been trying to break into the Latin American construction market and has made offers to international firms to supply laborers and skilled technicians for projects in Mexico and other Latin American states. [redacted] Because it charges less for its personnel than Western suppliers, Havana reportedly is optimistic about concluding such contracts [redacted]

25X1

25X1

25X1

Cuban economic assistance will continue to consist overwhelmingly of basic technical services, rather than turnkey projects with financial assistance. The Cuban economy will not support significant increases in aid financing in the near term. The only large turnkey projects we are aware of Havana discussing are sugar refinery construction or rehabilitations, such as that in Nicaragua, but without Cuban financing. Cuba will continue to provide smaller light industry facilities. Because of the scarcity of highly trained technical experts in Cuba, Havana will limit itself to the provision of laborers and midlevel technicians [redacted]

25X1

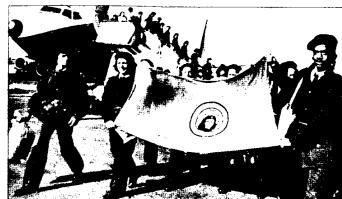
We believe the Third World student program will grow despite its various problems. The rate of acceptance of scholarship offers has not diminished, and offers to additional countries and those that now have only limited numbers of students continue to grow. In addition, as some Isle of Youth students have moved on to Cuban universities or technical institutes, a new generation has begun to take their places. This year Havana plans to open four new Isle of Youth schools,

Secret

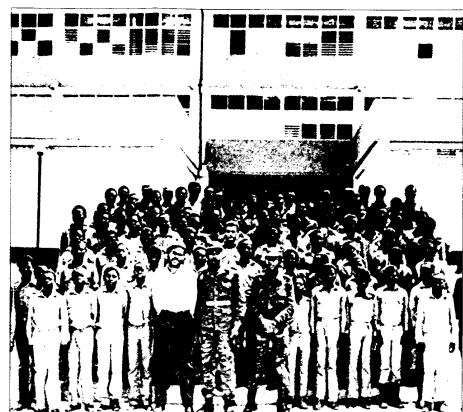
Typical Elements of the Cuban Program



Shaping popular opinion: a Nicaraguan-Cuban film crew.



An emphasis on revolutionary esprit de corps: the "Che Guevara Contingent" of Cuban teachers arrives in Angola. *Cuba Internacional* ©



For the defense of friendly regimes: students at the Cuban-built military school in Huambo, Angola. *Cuba Internacional* ©



Even in construction work the message is not lost: a joint Cuban-Jamaican construction team.



Concentration on simple projects: bridges in Nicaragua. *Granma Weekly Review* ©



Making an impression on the young: a Cuban teacher in a makeshift classroom, rural Nicaragua. *Cuba Internacional* ©

Secret

Secret